

5/001/029



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)

February 26, 1998

J&J Masonry Supply Co.
Attn. Gilbert Jennings
180 N. 300 E.
St. George, UT 84770

RE: ML 18847 VM; Section 2, T28S, R9W, SLB&M, Beaver County

Gentlemen,

On February 25, 1998, the above numbered lease for Volcanic Materials was canceled by the Director for non-payment of the annual rental/minimum royalty.

Reclamation requirements of the School and Institutional Trust Lands Administration for the lands which were mined under this leases are as follows.

- A) Remove all trash, debris, toxic materials, structures and equipment.
- B) Permanently seal and cover all shafts and tunnels and plug all boreholes.
- C) Fill all cuts, pits and trenches and eliminate all open-pit high walls.
- D) Re-establish and stabilize natural drainages on and around the disturbed lands.
- E) Re-grade and redistribute all stockpiles of soil and other earth materials.
- F) Re-seed all disturbed areas with a mixture of drought-resistant plants using a seed concentration of not less than 20 lbs per acre.

Please perform the above reclamation measures not later than May 1, 1998, and advise me when the work is completed. You should also contact the Utah Division of Oil, Gas & Mining (801-538-5340) for any additional reclamation requirements.

Sincerely,

John T. Blake

cc: Jim Cooper
Ron Carlson
Tom Munsen